GOVERNMENT OF INDIA
ROAD TRANSPORT AND HIGHWAYS
LOK SABHA

UNSTARRED QUESTION NO:4592
ANSWERED ON:18.12.2002
PARTICIPATION OF PRIVATE SECTOR IN ROAD CONSTURCTION
AKBOR ALI KHANDOKER

Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) the details of the major policy decisions taken to encourage private sector participation in road construction; and

(b) the matter in which West Bengal is likely to be benefited as a result thereof?

Answer

THE MINISTER OF STATE OF THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS [MAJOR GENERAL (RETD KHANDURI]

(a) Following incentives have been offered to attract the private investors in the development of road infrastructure.

(i) 100% tax exemption for 10 years to be availed within 20 years.

(ii) Concession period allowed upto 30 years.

(iii) Duty free import of major modern high capacity equipment for highway construction.

(iv) Government to provide land at no cost and free from all encumbrances.

(v) Government to provide capital grant upto 40% of the project cost to enhance viability, on a case-to-case basis.

(vi) National Highways Authority of India permitted to participate in equity of BOT projects upto 30% of the total equity.

(vii) Foreign direct investment allowed upto 100%

(b) In West Bengal, 3 National Highway Projects costing aboutRs. 1382.7 crore have been taken up on Built Operate and Transfer (BOT) basis.